Message Text

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FM SECSTATE WASHDC

TO ALL EAST ASIAN AND PACIFIC DIPLOMATIC POSTS

TREASURY

AMEMBASSY MOSCOW

AMCONSUL BIEN HOA

AMCONSUL CAN THO

AMCONSUL DANANG

AMCONSUL HONG KONG

AMCONSUL NHA TRANG

USDEL JEC PARIS

INFO USSAGE NAKHON PHANOM

CINCPAC HONOLULU

COGARD

AMEMBASSY BUDAPEST BY POUCH

XMT AMEMBASSY SUVA RANGOON

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COGARD FOR POLAD

E.O. 11652: N/A

TAGS: PFOR, XC, US

SUBJECT: MARCH 6 EA PRESS SUMMARY

1. INDOCHINA

EA'S HABIB TOLD NEWS CONFERENCE THAT CONGRESS HAD THWARTED UNCLASSIFIED $\,$

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PROMISING EFFORTS TOWARD PEACE IN CAMBODIA BY ENDING US BOMBING IN 1973 (GELB, NYT; IN USIA WIRELESS FILE). WIEGHART (NYDN) REPORTS ASSERTION FOLLOWED DISTRIBUTION OF 3-PG "SUMMARY OF NEGOTIATING EFFORTS ON CAMBODIA" THAT CONTAINS SAME STATEMENT, AND IS SURE TO ADD TO

ALREADY-HEATED DEBATE OVER PRES' REQUEST FOR MORE MIL
AID FOR GKR. NOTES HABIB OFFERED NO EVIDENCE TO SUPPORT
ASSERTION, THOUGH SAID SUCH EVIDENCE EXISTED AND HE HAD
PRESENTED IT WITHIN LAST DAY TO "PRINCIPALS" ON APPROPRIATE
CONGRESSIONAL COMMITTEES. CALLS SUMMARY "VAGUE AND SKETCHY,"
BUT NOTES IT STATES CLEARLY THAT US DIRECTLY AND THROUGH
UNIDENTIFIED INTERMEDIARIES HAD BEEN ATTEMPTING
OBTAIN PEACEFUL SETTLEMENT IN CAMBODIA SINCE C-F ON VN
SIGNED IN JAN 73; THAT MOST PROMISING EFFORT THWARTED
BY BOMBING HALT; AND DIRECT MEETING WITH SIHANOUK PROPOSED
BUT, LIKE ALL OTHER EFFORTS, FAILED. (VERBATIM TEXT OF
HABIB MARCH 5 CONFERENCE IN USIA WIRELESS FILE).

WP'S GETLER REVIEWS HABIB'S CONFERENCE AND SUMMARY OF NEGOTIATING EFFORTS. REPORTS THAT IN TELEPHONE INTERVIEW YESTERDAY SFRC'S SPARKMAN SAID HABIB VISITED HIM THIS WK, LEFT SUMMARY, AND TOLD HIM THAT US HAD BEEN CARRYING ON NEGOTIATIONS WITH NVN OR VC THAT WERE "VIRTUALLY ELIMINATED" BY BOMBING HALT. SPARKMAN, WHO WAS ON SFRC IN 1973, SAID THIS WAS "FIRST I'VE HEARD OF IT. I DIDN'T KNOW THEY WERE NEGOTIATING, OR THAT THEY WERE BROKEN OFF THAT WAY, OR THAT CONGRESS WAS RESPONSIBLE." ADDED HE HAD SEEN NO PROOF FOR OR AGAINST CORRECTNESS OF STATEMENT IN DOS MEMO. GETLER COMMENTS THAT NEWS REPORTS IN JUNE, 1973, WHEN BOMBING HALT VOTED, INDICATED ADMIN WAS SEARCHING FOR SOMEONE TO BARGAIN WITH RATHER THAN BEING INVOLVED IN MAJOR EFFORTS TOWARD NEGOTIATION. BELIEVES HABIB'S WORDS COULD FURTHER STRAIN RELATIONS AT TIME WHEN ADMIN MUST WIN SUPPORT IN CONGRESS FOR MORE MIL AID FOR GKR. NOTES REMARKS CAME ON TOP OF EARLIER WARNINGS BY PRES AND SECSTATE THAT CONGRESS WILL BE RESPONSIBLE IF CAMBODIA FALLS FOR LACK OF NEW AID.

KNIGHT NEWS (GLOBE) REPORTS THAT BESIDES HABIB STATEMENT, PRES AND SECSTATE TOLD CONGRESSIONAL DELEGATION THAT "CAMBODIANS ARE RUNNING OUT OF LINCLASSIFIED

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TIME AND THE UNITED STATES SHOULD NOT PULL THE PLUG ON CAMBODIA BY DENYING IT AID TO DEFEND ITSELF."

WP NOTES THAT IN CONGRESS TODAY, ABZUG AND FRED BRANFMAN (INDOCHINA RESOURCE CENTER), AMONG OTHERS, WILL TESTIFY IN OPEN SESSION ON CAMBODIAN AID OF SFRC SUBC ON FOREIGN ASSISTANCE AND ECONOMIC POLICY; HFAC SPECIAL SUBC ON INVESTIGATIONS WILL HOLD OPEN SESSION ON US INVOLVEMENT IN SEA (N.B. - HABIB WILL TESTIFY).

IN MESSAGE TO T. D. ALLMAN, WRITER ON SEA, SIHANOUK SAID US AID WILL PROLONG WAR FOR SEVERAL MONTHS BUT CANNOT PREVENT INSURGENT VICTORY. CONCERNING COMPROMISE

OR NEGOTIATIONS, PRINCE ADDED THAT HAK, "WHO IS INTELLIGENT BUT INTELLECTUALLY DISHONEST, DOES NOT BELIEVE IN THEM, DOES NOT KNOW THEIR MEANING." IN CABLEGRAM TO CYRUS EATON, SIHANOUK SAID HE HOPED TO BE COMING TO US THIS YEAR. EATON HAD WRITTEN PRINCE IN RESPONSE TO SIHANOUK'S ARTICLE IN MARCH 2 NYT IN WHICH HE HAD CALLED FOR END TO US INTERVENTION IN CAMBODIA (NYT SPECIAL).

PP AIRPORT CLOSED TO CIVILIAN TRAFFIC BY REBEL BARRAGE OF OVER 50 ROUNDS. MIL SOURCES SAY SHELLING KILLED 5, AND CIVILIAN AIRLINES SUSPENDED FLIGHTS FOR AT

LEAST 3 DAYS; MIL FLIGHTS, US AIRLIFT NOT AFFECTED
(UPI, BALTO N-A 3/5). REBEL GUNNERS HIT US CARGO
PLANE FIRST TIME AND US OFFICIALS SUSPENDED AIRLIFT
FOR REST OF DAY. NO INJURIES REPORTED ON WORLD AIRWAYS
DC-8 LOADED WITH RICE THAT JUST LANDED WHEN HIT BY
SHRAPNEL; ONLY MINOR DAMAGE REPORTED AND PLANE RETURNED
SAIGON, ACCORDING DIPLOMATIC SOURCES (AP NYDN, GLOBE;
CHITRIB; WP; PHINQ). FIELD REPORTS SAY 1000 FANK
TROOPS MOVED INTO AREA ABOUT 5 MILES NW OF AIRPORT
AND EXPECTED ATTACK INSURGENT ARTILLERY SITES TODAY.
MIL SOURCES SAY OPERATION AIMED AT PUSHING INSURGENTS
OUT OF RANGE (AP GLOBE). NYT'S SCHANBERG IN PP
DESCRIBES POCHENTONG SITUATION (IN USIA WIRELESS FILE).
FINNEY (NYT) QUOTES SECDEF THAT AIRLIFT PLANS MUST
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BE REASSESSED IF GKR UNABLE PROTECT AIRPORT (IN USIA WIRELESS FILE). WP'S GREENWAY IN PP DESCRIBES PLANES AT POCHENTONG LANDING AMID ROCKETS. NOTES NO PP PANIC, BUT AIR OF NERVOUSNESS NOT SO NOTICEABLE 10 DAYS AGO.

DOD SOURCES SAID CARRIER OKINAWA WITH COPTERS AND 1500 MARINES ORDERED TO GULF OF THAILAND AS PRECAUTION TO EVACUATE 400 AMERICANS FROM PP IF NECESSARY (CHITRIB; PHINQ). TWO USMC LIAISON OFFICERS ARRIVED PP TO COORDINATE EVACUATION PLANS (WP: AP, GLOBE). SUN'S TREWHITT REPORTS ON DOD PREPARATIONS FOR EMERGENCY EVACUATION OF PP (USIA WIRELESS FILE). TASS COMPARES DECISION TO SEND CARRIER OFF CAMBODIA WITH ONE THAT LED TO US INTERVENTION IN DOMINICAN REP; CALLS PLAN TO OCCUPY POCHENTONG FOR EVACUATION "DIRECT PARTICIPATION IN CAMBODIAN WAR" (WP). TASS REPORTED "PATRIOTS" ARE WITHIN 4-1/2 MILES OF PP'S AIRPORT AND NARROWING RING AROUND CAPITAL (AP, GLOBE). SEVENTH-DAY ADVENTIST CHURCH ORDERS MISSIONARIES LEAVE CAMBODIA. ABOUT 10 INVOLVED (PHINQ; CHITRIB; WP).

AT PRESS CONFERENCE IN PP, LONG BORET REPLIED TO

QUESTION WHY THOUSANDS OF STUDENTS NOT DRAFTED, SAID GKR DOES NOT WANT TO INTERFERE WITH THEIR STUDIES (WP). BORET SAID LON NOL AND ASSOCIATES WILLING TO RESIGN IF THIS WOULD LEAD TO PEACE AND RECONCILIATION. ADDED THAT SITUATION WOULD BE DISASTROUS IF CONGRESS DOES NOT GIVE MORE MIL AID (PHINQ; CHITRIB; WP). THIEU SAID ARVN WOULD NOT INVADE CAMBODIA IF PP FALLS BECAUSE "IMPOSSIBLE FOR US TO ACHIEVE EVEN WHAT THE UNITED STATES FAILED TO ACHIEVE AFTER SUCH LONG EFFORTS" (CHITRIB). AID ANNOUNCES DONATION TO CAMBODIA

OF OVER ONE MILLION DOLS FOR DRUGS AND MEDICAL SUPPLIES NUTRITION SUPPLEMENTS, AND RELIEF SUPPLIES (PHINQ). NCNA QUOTES KHMER INSURGENT LEADERS THAT "SEVEN PHNOM PENH TRAITORS" - LON NOL AND 6 TOP AIDES - RESPONSIBLE FOR "U.S. AGGRESSION" IN CAMBODIA (WP). , NYT REPORTS FROM SAIGON THAT CHINESE MIL DELEGATION HAS MADE PUBLIC APPEARANCE IN HANOI, ACCORDING WESTERN UNCLASSIFIED

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ANALYSTS. NOTES USSR DEPFONMIN ALSO REPORTEDLY THERE. ANALYSTS SPECULATE VISITS COULD BE RELATED TO SITUATION IN CAMBODIA, IN SVN OR BOTH. QUOTES COMMENT THAT "HANOI IS CERTAINLY THE PRESSURE POINT." BELIEVES, ON FACE, CHINESE IN SUPERIOR POSITION TO RUSSIANS SINCE HAVE PROVIDED MOST WEAPONS AND SHELTER SIHANOUK, WHILE USSR MAINTAINS DIPLOMATIC TIES WITH GKR AND HAS NOT ARMED INSURGENTS; SIHANOUK HAS PUBLICLY VOICED BITTERNESS OVER THIS. WESTERN ANALYST THINKS SOVIETS MAY BE PANICKING ABOUT FUTURE RELATIONS WITH COMMUNIST CAMBODIA. ANOTHER THINKS NVN CLOSER TO USSR THAN TO CHINESE AND CAMBODIANS MAY END UP IN SAME POSITION. PRINCE QUOTED CHOU IN FEB 27 INTERVIEW THAT THINGS COMING TO HEAD AND "YOU WILL WIN IN A VERY SHORT TIME"; AND THAT CHOU SAID HAD ADVISED HAK LAST NOV TO ABANDON GKR TO SAVE US HONOR.

TWO US TRAVELERS ACCUSED OF SPYING BY PL WERE EXPELLED FROM LAOS BY GOVT UNDER ORDER BANNING "HIPPIES," ACCORDING POLICE SPOKESMAN (UPI, NYT).

2. CHINA

AIDES REPORT REPS ALBERT, RHODES, WITH WIVES AND SOME STAFF, WILL PROBABLY LEAVE WASHINGTON MARCH 26 FOR PRC VISIT. PLANS STILL TENTATIVE, ITINERARY WITHIN CHINA NOT SET, BUT TALKS WITH OFFICIALS IN PEKING AND VISITS TO COUNTRYSIDE LIKELY (WP).

WARHOL'S POSTER-SIZE MAO PAINTING ON DISPLAY AT CORCORAN GALLERY LEADS TO CANCELLATION OF GALLERY VISIT BY DELEGATION OF PRC ART EXPERTS ACCOMPANYING

CHINESE ARCHAEOLOGICAL EXHIBIT ON US TOUR (CHITRIB). WP AND CHITRIB CARRY PHOTO OF WARHOL'S PAINTING.

WP'S PAUL RICHARD REPORTS INTER-OFFICE MEMO WRITTEN BY CORCORAN STAFF MEMBER FEB 26 SUGGESTED DELEGATION OF PRC ART EXPERTS, EXPECTED AT GALLERY TO SEE ITS OLDER PICTURES, BE MET AT CORCORAN BACK DOOR AND TAKEN ON TOUR OF US COLLECTION -- SO IT WOULD MISS WARHOL'S POP ART MAO PORTRAIT HANGING NEAR FRONT OF GALLERY. BUT UNCLASSIFIED

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DELEGATION VISIT WAS CANCELED WITHOUT EXPLANATION

FEB 27. MEMO WRITER TOLD AP SHE DID NOT KNOW WHY VISIT CANCELED AND MEMO "WAS REALLY DONE FACETIOUSLY." CORCORAN AIDE VOICED CERTAINTY MEMO HAD NOTHING TO DO WITH CANCELLATION OF CHINESE VISIT; EXPLAINED MEMO LARGELY ROUTINE NOTICE OF DELEGATION'S VISIT, WITH BIT ABOUT WARHOL PAINTING ADDED AS JOKE.

AP (MAR 5) SAID NOT CLEAR WHY CORCORAN FEARED CHINESE MIGHT TAKE OFFENSE AT WARHOL WORK, SINCE POSTER-SIZE MAO PHOTOS POPULAR IN PRC; WARHOL RENDITION IS PHOTO PAINTED OVER AND ACCURATE PORTRAIT EXCEPT THAT MAO'S FACE PAINTED GRAY-GREEN. NOTES MEMO DRAFTER INSISTED NO INSTRUCTIONS FROM ANYONE AT CORCORAN TO HAVE CHINESE VISITORS BYPASS WARHOL PAINTING.

BRAZILIAN GOVT ACCEPTS CHANG TE-CHUM AS FIRST AMBASSADOR FROM PRC. CHANG CURRENTLY CHIEF OF PRC MISSION IN HAVANA (UPI, LAT MAR 5).

FOUR PRECISION INDUSTRY COMPANIES WITHIN RANK ORGANIZATION WILL MAKE COMBINED EFFORT NEXT MONTH TO BOOST THEIR "ALREADY SUBSTANTIAL" ORDER BOOKS FROM PRC. BACKING BY 10-STRONG SALES TEAM, FIRMS WILL EXHIBIT RANGE OF OPTICAL, ANALYTICAL, MEASURING SYSTEMS IN SHANGHAI, BETWEEN MARCH 25-APRIL 4 (JOC).

WP'S MORGAN REPORTS PRC HAS CANCELED ORDER FOR 200,000 BALES US COTTON, GIVING RISE TO FURTHER CONCERN ABOUT SAGGING PRICES AND GLOOMY BUSINESS OUTLOOK IN US COTTON/TEXTILE INDUSTRY. TRADE SOURCES ATTRIBUTE CANCELLATION TO EXCELLENT PRC COTTON CROP, WHICH REDUCED IMPORT REQUIREMENTS; PREDICTSPRCSETTLEMENT WITH UNIDENTIFIED MEMPHIS SUPPLIER COULD COST PEKING MUCH AS 30 MILLION DOLS. AMERICAN COTTON SHIPPERS ASSN GENERAL COUNSEL SAYS SECOND 20,000-BALE CHINESE CANCELLATION POSSIBLE SOON.

ROC TABLE TENNIS TEAM THAT RETURNED HOME IN DISGRACE

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AFTER BEING ACCUSED OF CHEATING IN US, SAYS US NATIONAL TABLE TENNIS LEAGUE CHARGES THAT CHINESE PUT TOOTHPASTE ON BALL IN PORTLAND, ORE. TO MAKE IT SPIN WERE RIDICULOUS, GROUNDLESS. ROC TEAM CAPTAIN SAYS EVIDENT THEY COULD DEFEAT US WITHOUT TRICKS. TAIWAN HAS LOST ONLY ONE OF 18 MATCHES AGAINST SAME US TEAM IN LAST THREE YEARS (UPI, NYT).

3. JAPAN

AP (TOKYO) CITES HONDA ANNOUNCEMENT MONDAY OF THREE-MONTH CUT IN MOTORCYCLE EXPORTS TO US, STARTING MARCH, TO REDUCE INVENTORIES BEFORE SHIPPING NEW MODELS ABOUT SEPTEMBER (CHITRIB).

JOC'S CULLISON SAYS JAPAN'S AUTO MAKERS IGNORE RECESSION, PLAN RAISE PRODUCTION 2.2 PERCENT THIS YEAR; EXPECT 12.5 PERCENT RISE DOMESTIC SALES, 5.1 PERCENT DROP EXPORTS.

NYT'S HALLORAN IN TOKYO NOTES ME OIL PRODUCER -"EVIDENTLY KUWAIT" -- BOUGHT 5 MIL SHARES NIPPON
STEEL, NATION'S LARGEST FIRM, WORLD'S BIGGEST STEEL
MAKER. BUT SHARES WORTH 2.5 MIL DOLS ONLY 1.1
PERCENT OUTSTANDING STOCK, DO NOT GIVE BUYER VOICE
IN MANAGEMENT, AS JAPANESE WATCH NERVOUSLY FOR ME
ECONOMIC INVASION. CLAIMS THIS FIRST PORTFOLIO
INVESTMENT KNOWN TO PUBLIC, BUT CITES SECURITIES
SOURCES THAT ME INTERESTS EARLIER, AND SECRETLY, BOUGHT
INTO MITSUBISHI, HITACHI, KOMATSU, KUBOTA, TOYO RAYON.

4. KOREA

AP (SEOUL) NOTES FIVE US SOLDIERS KILLED WEDNESDAY IN HELICOPTER CRASH DURING TRAINING MISSION NEAR CHUNCHON (WP, NYT, PHINQ).

AP (SEOUL) SAYS YOUNG KOREAN ARMY DESERTER KILLED ONE, WOUNDED TWO, HELD VILLAGERS HOSTAGE 12 HOURS WEDNESDAY IN KUMCHON, UNTIL UNCLE PERSUADED HIM SURRENDER (WP, CHITRIB). UNCLASSIFIED

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5. AUSTRALIA

WSJ NOTES HARRAH INCORPORATES FIRM IN AUSTRALIA,
TO BE ABLE QUICKLY SET UP CASINO WHEN -- AND IF -CASINO GAMBLING LEGALIZED; NOT LEGAL ANY STATE NOW.

6. INDONESIA

AP JAKARTA (CSM) STATES LUBIS ARREST LEADS NEWSMEN BE MORE WARY IN USE PRESS FREEDOM. EXPERTS SAID INDONESIAN PRESS AMONG FREEST IN SEA TWO YEARS AGO, BUT AFTER RIOTS DURING TANAKA VISIT "ARMY-RUN" GOI CLOSED 11 DAILY, WEEKLY PAPERS, IN IRRITATION AT CRITICISM OF CORRUPTION INVOLVING FOREIGN AID, PERTAMINE OIL PROFITS.

COMMENT AND ANALYSIS

7. INDOCHINA

WP CARRIES ARTICLE BY SEN. ABOUREZK HEADED "AID TO VIET NAM: PROLONGING OUR SHAME" (SEE WIRELESS FILE).

BALT SUN SAYS "TIME TO DEAL WITH SIHANOUK" SINCE LON NOL HAS FAILED AND THERE NO REASON TO THINK SIHANOUK WILL TURN COUNTRY COMPLETELY OVER TO COMMUNISTS (SEE WIRELESS FILE).

BALT N-A (3/5)HOPES MARYLAND STATE SENATE RESOLUTION WILL HAVE SOME EFFECT IN PRESSURING FEDERAL GOVERNMENT TO GET MORE INFO ON MIAS.

ANTHONY LEWIS IN NYT DISCUSSES YESTERDAY'S LETTER FROM EAGLEBURGER DEFENDING HAK AND CALLS CAMBODIA CLEAREST TEST OF HIS FOREIGN POLICY. SAYS FROM 1969 TO TODAY CAMB. HAS GONE FROM "DEMIPARADISE TO A CHARRED WASTELAND" FILLED WITH REFUGEES. THIS DUE TO HAK'S FEARED LOSS OF AMERICAN CREDIBILITY WHICH MATTERS MORE TO HIM THAN RUIN OF HARMLESS PEOPLE.

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MACARTHUR IN LATIMES (3/4) DISCUSSES PLIGHT OF FORMER CAMBODIAN SCHOOLTEACHER WHO WOULD LIKE TO RUN CLOCK BACK ALTHOUGH HE HAD WELCOMED DEPARTURE OF SIHANOUK. NOW, EVERYONE INVOLVED IN THE WAR AND KNOWS COMMUINISTS YOKE WILL BE HEAVY. GOVERNMENT CORRUPT, COUNTRY DESPERATELY NEEDS GOOD LEADER. SIHANOUK CAN BRING PEACE BUT COMMUNISTS PROBABLY NOT LET HIM RETURN.

CSM'S GODSELL SEES COMMUNIST STRATEGY ON PP AS ONE OF "FINAL SQUEEZE" RATHER THAN ATTACK. MENTIONS RECENT USG EFFORTS TO ENCOURAGE COMPROMISE BETWEEN GKR, KHMER ROUGE AND POSSIBLY SIHANOUK AS DISAPPOINTMENT FOR PRES AND HAK WHO URGENTLY NEED "GRACEFUL FORMULA" TO GET US OUT OF "COMMITMENT" TO GKR. US STRATEGY

IS TO KEEP AIRLIFT GOING FOR MONTH SINCE BY BEGINNING OF APRIL RAINS SHOULD BEGIN AND PUT BRAKE ON COMMUNIST OPERATIONS. HOPE IS THAT IF PP CAN HOLD OUT TILL THEN, COMMUNISTS WILL BE MORE DISPOSED TO NEGOTIATE. POINTS OUT THAT COMMUNIST RESPONSE HAVE BEEN NEGATIVE. SEES US DILEMMA PINPOINTED IN TWO STATEMENTS THIS WEEK: LON NOL SAID IF US CONGRESS DOES NOT APPROVE MORE AID IT WOULD BE DISASTROUS; AND SIHANOUK STATED IF US AID WERE APPROVED. THERE WOULD BE NO ROOM LEFT

FOR COMPROMISE.

SUN'S ISAACS IN SAIGON BELIEVES CODEL DID NOT SEE WOUNDS IN VIET SOULS IN SHORT TOUR, COMMENTS ON VISIT AND BEHAVIOR OF SOME WITH GROUP (IN USIA WIRELESS FILE).

CHARLES YOST IN CSM WONDERS FOR WHOM INDOCHINA WOULD BE DISASTER IF EMERGENCY AID NOT SENT. HARD TO SEE WHAT WORSE DISASTER COULD BEFALL CAMBODIAN PEOPLE THAN PRESENT WAR. SEES BASIC INTERESTS OF PEOPLE IN VN AND CAMBODIA BLOTTED OUT BY AMBITIONS OF LEADERS ON BOTH SIDES AND BY RIVALRIES OF GREAT POWERS. REVIEWS ADMIN ARGUMENTS TO "SAVE" CAMBODIA AND SVN. ASKS IF IT IS MORAL FOR US TO CONTRIBUTE TO PROLONGING AGONY OF KHMERS, AND IF UNCLASSIFIED

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AID TO GOVT UNDER ATTACK IMPOSES MORAL COMMITMENT ON US TO SUPPORT THAT GOVT NO MATTER WHAT ITS BEHAVIOR OR PROSPECTS. CANNOT HELP SUSPECTING THAT MORE COMPELLING WITH ADMIN IS ARGUMENT OF US "CREDIBILITY" WITH OTHER COUNTRIES.

YOST SAYS AMERICANS HAVE GOOD REASONS TO QUESTION THEORY THAT US CREDIBILITY WOULD BE IMPAIRED BY ECLIPSE OF THIEU AND LON NOL, SINCE MOST ALLIES HAVE BEEN URGING US FOR YEARS TO GET OUT. SUSPECTS WHAT REALLY MOTIVATES ADMIN AND POSSIBLY MEMBERS OF CONGRESS MAY BE HANGOVER FROM MCCARTHYISM: FEAR OF BEING HELD POLITICALLY RESPONSIBLE FOR "LOSING" COUNTRY TO COMMUNISM. PREDICTS BITTERNESS AT FINAL COLLAPSE OF US' INDOCHINA CRUSADE, BUT MOST AMERICANS HAVE TURNED ATTENTION TO MORE PRESSING CONCERNS.

MENTIONS COMPROMISE IN LAOS THAT MIGHT HAVE MESSAGE FOR VIETS AND KHMERS -- AND FOR US.

8. CHINA

LAT'S ELEGANT, IN HK, CONTENDS CHOU MOVING VIGOROUSLY BEHIND OSTENSIBLY SEAMLESS FACADE OF NEW PRC GOVT TO CRUSH VOLUBLE, ORGANIZED, POWERFUL OPPOSITION TO

HIS POLICY OF BUILDING UP ECONOMY AT ALL COSTS. IF CHOU FAILS, CHINA COULD AGAIN LAPSE INTO NEAR CHAOS --BUT PREMIER NOT LIKELY TO FAIL. CHOU AND HIS PRAGMATISTS USING "CHARACTERISTICALLY DEVIOUS -- AND CHARACTERISTICALLY SKILLFUL -- STRATEGY" TO BEAT DOWN OPPOSITION; STRINGENT "PARTY" DISCIPLINE BEING IMPOSED TO STILL CCP VOICES OF DISSENT. BROAD MASS OF PEOPLE ALSO WILL DO AS TOLD TO IMPLEMENT CHOU'S ECONOMIC POLICIES OR FACE GOVERNMENT POWER. CHOU IS PROVING HE IS BETTER MARXIST THAN MAO,

AND THAT HIS "ECONOMISM" BETTER MARXISM THAN MAO'S ATTEMPT TO CREATE UTOPIA BY SPIRITUAL, INTELLECTUAL "REMOLDING" (MAR 5).

CDN'S BEECH, IN HK, FINDS DOMINO THEORY WORKING IN REVERSE AS SEASIA NATIONS, ONE BY ONE, MOVE CLOSER TO PEKING. WITHIN PAST FEW DAYS, MARCOS ANNOUNCED UNCLASSIFIED

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HE WILL VISIT PRC LATER IN YEAR. SINGAPORE DECIDED TO SEND DELEGATION TO PEKING. LEE KUAN YEW HAD SAID GOS WOULD BE LAST SEASIA STATE TO ESTABLISH FORMAL LINKS WITH PRC; BUT LEE IS NOTHING IF NOT PRAGMATIST, AND MAKEUP OF DELEGATION INDICATES TRADE AND OIL WILL DOMINATE TALKS.

NOTHING AWFUL HAS HAPPENED TO MALAYSIA AS RESULT OF ESTABLISHING FULL DIPLOMATIC TIES WITH PEKING, ALTHOUGH MALAYSIA WISHES PRC WOULD STOP MORAL, OTHER SUPPORT TO COMMUNIST REBELS. THAILAND HAS EXPRESSED SAME WISH, BUT SHE HAS SENT PEKING TRADE DELEGATION (BALTO N-A MAR 5).

CSM HAS REPORT ON ROC'S CURRENT DIRECTION, BY JONATHAN UNGER. CCK CAN REST SECURE, HAS GAINED FIRM HOLD ON GOVT AND THERE WILL BE NO LEADERSHIP CONTEST WHEN CKS LEAVES SCENE. GOVT CONTINUES HEAVY-HANDED ATTEMPTS TO MAKE TAIWANESE GIVE UP FEELINGS OF SEPARATENESS. SUCCESSFUL ECONOMY HAS BEEN ONE OF CCK'S STRONGEST CARDS. HE IS TOUGH, SHREWD POLITICIAN, EXPECTED TO BE IN CONTROL FOR GOOD MANY YEARS TO COME.

9. INDONESIA

LAT'S ELEGANT IN HK (MAR 2) DEPLORES JAKARTA'S
CONTEMPT FOR FREE OPINION AT HOME AND ABROAD, SHOWN
BY ITS IGNORING STORM OF PROTESTS OVERSEAS AGAINST
ARREST OF MOCHTAR LUBIS ON "SUBVERSION" CHARGES.
BELIEVES HIS IMPRISONMENT STANDS AS "DIRECT
INDICTMENT" OF LAVISH US AID AND CLOSE TIES, AND
EVEN FREE ENTERPRISE IN LDCS -- BECAUSE UNTIL
RECENTLY INDONESIA WAS "SHINING EXAMPLE" OF NATION

THAT LEARNED ERROR OF OLD WAYS AND WAS SUCCESSFULLY FOLLOWING NEW ROAD WITH US GUIDANCE, AID.

ASSERTS ARREST MARKS "LONG STEP BACK" TOWARD REPRESSIVE, UNPRODUCTIVE SOCIETY SUKARNO CONTRIVED -- AND GENERALS WHO RUN COUNTRY SEEM NOT TO REALIZE REPRESSION GENERATES DISORDER THAT SCARES AWAY VERY INVESTMENT THEY SEEK.
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10. THAILAND

WP SUGGESTS BEST TO GREET RTG CALL FOR US WITHDRAWAL AS WELCOME EVIDENCE FORMER DEPENDENCY "CONFIDENT ENOUGHT TO STEP OUT ON ITS OWN." NOT TO DO SO WOULD TEMPT "VERY NASTY KIND OF ANTI-AMERICANISM," SOME OF WHICH MAY COME ANYWAY (USIA WIRELESS FILE 3/6).

11. JAPAN

CSM FINANCIAL EDITOR FRANCIS IN TOKYO FORESEES CONTINUING IMPROVEMENT IN JAPAN-CHINA TRADE, AS CHINA SELLS MORE OIL. JAPAN'S IMPORTS OF CHINESE OIL MAY DOUBLE THIS YEAR, TO 8 MIL TONS, AT 12.10 DOL/BBL, LOWER THAN COMPARABLE INDONESIAN OIL. ONE JAPANESE EXPERT BELIEVES CHINA MAY INCREASE OIL EXPORTS STEADILY, TO 100 MIL TONS BY 1980. BASED ON OIL AND OTHER FACTORS, FRANCIS FORECASTS CHINA WILL CONTINUE IMPROVE RANKING AMONG JAPAN'S TRADING PARTNERS.

12. GENERAL

ROWAN (MAR 6 WSTAR) NOTES TOWN ABUZZ WITH QUESTION,
"WHAT'S HAPPENED TO HENRY KISSINGER?" HILL COLD ON
CAMBODIAN AID, REJECTED HIS APPEAL NOT TO CUT OFF
AID TO TURKEY. NOW HAK IN "UNUSUAL DUEL" OF PUBLIC
INSULTS WITH AMB KAUL OVER US ARMS TO PAKISTAN,
AND TAKING ON ALMOST ALL OF AFRICA ON DAVIS APPOINTMENT.
ROWAN SUSPECTS SECSTATE REALLY WEARY OF JOB NOW THINGS
NOT GOING WELL, AND SEES ODDS INCREASING DAILY HAK
WILL RESIGN WELL BEFORE 1976 POLITICKING BEGINS.
INGERSOLL

NOTE BY OC/T: POUCHED BUDAPEST.

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Review Media Identifier: Review Referrals: n/a Review Release Date: n/a Review Release Event: n/a **Review Transfer Date:** Review Withdrawn Fields: n/a

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